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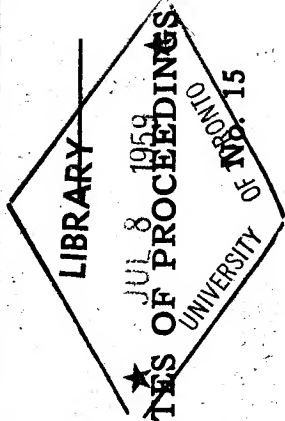
Second Session—Twenty-fourth Parliament

1959

SPECIAL COMMITTEE ON

BROADCASTING

Chairman: G. E. HALPENNY, Esq.



MINUTES OF PROCEEDINGS AND EVIDENCE

WEDNESDAY, JUNE 24, 1959

BOARD OF BROADCAST GOVERNORS

WITNESSES:

Dr. Andrew Stewart, Chairman, Board of Broadcast Governors;
and Mr. Carlyle Allison, Member.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

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SPECIAL COMMITTEE ON BROADCASTING

Chairman: G. E. Halpenny, Esq.

Vice-Chairman: J. Flynn, Esq.

and Messrs.:

Miss Aitken,
R. A. Bell (*Carleton*),
Tom Bell (*Saint John-
Albert*),
Brassard (*Lapointe*),
Mrs. Casselman,
Chambers,
Dorion,
Eudes,
Fairfield,
Fisher,
Forgie,

Fortin,
Johnson,
Kucherepa,
Lambert,
Macquarrie,
Mitchell,
Morris,
Muir (*Lisgar*),
McCleave,
McGrath,
McIntosh,
McQuillan,

Nowlan,
Paul,
Pickersgill,
Pratt,
Richard (*Ottawa East*),
Robichaud,
Simpson,
Smith (*Calgary South*),
Smith (*Simcoe North*),
Taylor,
Tremblay.

J. E. O'Connor,
Clerk of the Committee.

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MINUTES OF PROCEEDINGS

WEDNESDAY, June 24, 1959.

The Special Committee on Broadcasting met at 9.35 a.m. this day. The Chairman, Mr. Halpenny, presided.

Members present: Miss Aitken; Messrs. Bell (*Carleton*), Chambers, Fairfield, Fisher, Forgie, Halpenny, Johnson, Kucherepa, Lambert, Morris, McCleave, McIntosh, Paul, Pickersgill, Robichaud, Smith (*Calgary South*), Smith (*Simcoe North*) and Taylor. (19)

In attendance: Dr. Andrew Stewart, Chairman, Board of Broadcast Governors; Mr. Carlyle Allison, Member; and Mr. W. D. Mills, Secretary.

On motion of Mr. Pickersgill, seconded by Mr. Forgie,

Resolved,—"That Mr. F. W. Peers, Mr. D. H. Gillis, Mr. B. Trotter and any former members of the Canadian Broadcasting Corporation staff who resigned recently, be invited by the Steering Committee to appear before the Committee at the earliest possible time to give evidence concerning the charges 'that clandestine political influence has been brought to bear on the C.B.C. management'".

The Committee continued consideration of the statement presented by Dr. Stewart on Monday, June 22nd, and Dr. Stewart and Mr. Allison were further questioned.

Copies of the Board of Broadcast Governors Regulations for Radio Broadcasting Stations (effective June 1, 1959) were distributed to members of the Committee.

At 10.40 a.m. quorum being lost, the Committee adjourned to the call of the Chair.

J. E. O'Connor,
Clerk of the Committee.

EVIDENCE

WEDNESDAY, June 24, 1959.
9:30 a.m.

The CHAIRMAN: We have a quorum, gentlemen.

Mr. PICKERSGILL: Mr. Chairman, I should like to make a motion, seconded by Mr. Forgie, that Mr. F. W. Peers, Mr. D. H. Gillis and Mr. B. Trotter be invited to appear at the next meeting of the committee to substantiate their charge—and I quote—"that clandestine political influence has been brought to bear on C.B.C. management".

That is the end of the quotation and the end of the motion.

Yesterday, in the House of Commons, an attempt was made by the leader of the opposition to move the adjournment of the house to discuss this matter. Mr. Speaker declined to do this. The principal ground upon which Mr. Speaker declined to allow the ordinary business of the house to be disturbed was made by the Minister of National Revenue, and was to the effect that this committee was sitting and that this committee would provide an opportunity for the hearing of this very important matter.

I recognize the committee is the master of its own procedure, but it seemed to me—particularly in the light of that indication given by the Minister of National Revenue and accepted by the Speaker—that the committee would be bound to be very greatly influenced by that, and we would all feel, in view of this very serious situation that has developed in the Canadian Broadcasting Corporation, that notwithstanding the fact we have an agenda which provides for somewhat different things, an emergency has arisen and it is our duty—not today, of course, because that is obviously impossible, and I am not, in my motion, suggesting we disturb the proceedings for today—at the beginning of the next meeting to consider this matter. That meeting should be held just as soon as it can possibly be arranged, and this matter should be taken up and dealt with until it has been concluded by the committee.

Mr. SMITH (*Calgary South*): Mr. Chairman, I wonder if Mr. Pickersgill would agree—

The CHAIRMAN: You are speaking to the motion?

Mr. SMITH (*Calgary South*): Yes, Mr. Chairman, I am speaking to the motion. I wonder if we would agree to a reference to the steering committee, with the clear understanding that persons are to be called, but the decision as to who are to be called should be left to the sub-committee, of which he is a member?

I cannot help but feel it is basically an administrative problem but, nevertheless, I agree these charges are of a serious nature and some reply should be expected of the individuals concerned. But I would suggest the steering committee is the proper body to decide the time when they are to be called and who should actually be called.

Mr. McINTOSH: Mr. Chairman, it seems to me, if we did call these people we could be tagged with political interference—maybe not by this group, but by the management group. I think it would be bad taste on our part even to call them here before this matter is settled among management themselves.

Mr. ROBICHAUD: Why would it be suggested by the minister?

Mr. McINTOSH: I do not care what was suggested by the minister.

The CHAIRMAN: Mr. Fisher wishes to hear the motion again. It was moved by Mr. Pickersgill and seconded by Mr. Forgie that Mr. F. W. Peers, Mr. D. H. Gillis and Mr. B. Trotter be invited to appear at the next meeting of the committee to substantiate their charges that clandestine political influence has been brought to bear on C.B.C. management.

Mr. PICKERSGILL: In reply to Mr. Smith's suggestion, Mr. Chairman, I do not think it would be appropriate in these circumstances. It does seem to me this is a matter of such urgency, of such clarity and of such simplicity that there is nothing for the steering committee to consider which could not properly be considered by the whole committee.

I feel the public will expect us to deal with this matter, and deal with it promptly.

With respect to Mr. McIntosh's suggestion that it is none of the business of this committee, surely when 30 people have given up their employment in the corporation, have made a charge of the character that has been made here, and stake their livelihood upon it, the suggestion that it is merely a matter for the management of the corporation is one that we could not possibly entertain. It does seem to me that either these gentlemen—and I am not seeking to prejudice the matter in any way whatever—but either these gentlemen have some grounds for saying this or they have not—and it is hard to believe that they would not have such grounds, because people, even in these times, do not lightly jeopardize their livelihood. It seems to me that this committee should make a decision one way or the other on this motion this morning.

Mr. McCLEAVE: I think, since the charges are so serious, not only should we invite them to appear, but I would also suggest it should be drawn to their attention that if there is any reluctance on their part to come forward we have the power to subpoena them and to require them to appear.

Mr. SMITH (*Calgary South*): I wonder if I might have, again, the names of the persons concerned? My only concern is whether you are calling enough of them.

The CHAIRMAN: Mr. Peers, Mr. Gillis and Mr. Trotter.

Mr. FISHER: Could we have Mr. Steinhouse?

Mr. SMITH (*Calgary South*): That is the reason I suggest the motion might be amended.

Mr. PICKERSGILL: The reason I included only these three names is that they are the three gentlemen who signed a statement—or, at least, are said to have signed it, and this statement was read and uncontradicted. I do not think there is any question about its authenticity.

Mr. FISHER: I have to support the motion, but I do not like the idea of bringing people here to substantiate their charges. It seems to give an indication we are a court of proof of some kind or another. But I do feel—and I will say this, in fairness to this committee—it would be an excellent idea to have them here, because I think this committee is going to be pilloried in certain elements of the community in a way it does not quite deserve—I mean, in so far as its being a factor in any witch hunt or any political hunt within the C.B.C. is concerned. I certainly have to support the motion.

Mr. SMITH (*Calgary South*): May I ask if we can assume that Mr. Bushnell will—as I think he should—make an opening statement to the committee on the position taken by the corporation?

The CHAIRMAN: Certainly you can assume that, because I think if these people are called, management should be called at the same time. I just want to read this motion once again; I notice two additional people have come in. The motion is: that Mr. Peers, Mr. Gillis and Mr. Trotter be invited to appear

at the next meeting of the committee to substantiate their charge that clandestine political influence has been brought to bear on C.B.C. management.

Mr. CHAMBERS: Mr. Chairman, I would support the motion that they should come before the committee. Whether it is possible for them to do it at the next meeting, I do not know; but the steering committee could contact them and find out how soon they would be able to appear. But in the principle of the motion, I would support it.

Mr. TAYLOR: Mr. Chairman, I was wondering if you, as chairman, could encourage others who have resigned to come forward and make a statement in connection with this matter. I notice there is a western girl, Miss Fielder, of Vancouver, who might like to give evidence.

Mr. McINTOSH: Mr. Chairman, I would just like to remind the committee that when this charge was made at the last session, the government was very concerned about certain charges made by the opposition that there could be political interference set up, as we have now.

This motion, to my mind, is going contrary to what Mr. Pickersgill talked about last year, and I think we are out of place to interfere in this before the board of management has had a chance to deal with it themselves. If the request comes from them to have a hearing, that would be a different thing; or if the request comes from the management to have a hearing, that would be a different thing. But we are stepping in over the heads of both of them, and I do not think it is our place to do so. I do not think it is the wish of the government, or the wish of the opposition—if you read the minutes of last year.

Mr. FISHER: Mr. Chairman, speaking to the point Mr. McIntosh has raised: I would agree with him right up to the time I read the evidence presented here by the Board of Broadcast Governors on Monday. But when you have from the Board of Broadcast Governors what seems to be a sort of suggestion that they are a passive instrument, my whole conception of what was involved in the broadcasting legislation is beginning to go out the window anyway. Therefore, I am not suffering under the inhibition about that legislation that Mr. McIntosh is.

Mr. McCLEAVE: Mr. Chairman, on Mr. McIntosh's point, surely the basis is that this little group has charged political interference? As such, they are reflecting on the dignity of members of parliament—and that, to me, is the important consideration. Undoubtedly they are going to have a fight with their own management of the C.B.C.; but I think the important point is that they have brought charges against people here in Ottawa on Parliament Hill.

Mr. McINTOSH: Whereabouts? They did not say anything about that.

Mr. McCLEAVE: They talked about clandestine political interference.

The CHAIRMAN: But did they say, "within the corporation" or "from Parliament Hill"—that is the point?

Mr. McCLEAVE: I think people would take the ordinary meaning from what "political" means.

Mr. SMITH (*Calgary South*): The interference is pretty clear.

Mr. PICKERSGILL: I agree completely with Mr. McCleave.

The CHAIRMAN: Mr. Pickersgill, I hate to talk to the motion: I feel I would have to support your motion, by all means, and I would suggest that we continue in the same way that we always have—that it be brought before the steering committee; but the steering committee knows the feeling of this meeting. We will have a steering committee meeting this afternoon.

Mr. SMITH (*Calgary South*): Mr. Chairman, that was exactly my point—with the clear understanding that they are to be called, but with purely an opportunity to determine the numbers and any of the detail on how they are to appear.

Mr. PICKERSGILL: I am quite willing to amend my motion. I have not got a copy of it in front of me, but perhaps, if I could borrow it for a second, I could amend it.

The CHAIRMAN: By all means.

Mr. PICKERSGILL: I would therefore move that Mr. F. W. Peers, Mr. D. H. Gillis and Mr. D. Trotter be invited—

The CHAIRMAN: Would you include any others?

Mr. PICKERSGILL:—and any other former members of the C.B.C. who have recently resigned—I will go slowly—be invited by the steering committee to appear at the earliest convenient opportunity before the committee to substantiate the charge—and the rest of the motion would be as it now is. That is seconded by Mr. Forgie.

Mr. SMITH (*Simcoe North*): Mr. Chairman, what is the “invitation to substantiate the charge”—I am just wondering about that?

Mr. PICKERSGILL: I quite agree with what Mr. Fisher and Mr. Smith have said. I wrote this in a great hurry.

The CHAIRMAN: May we have it once again, for the record.

Mr. PICKERSGILL:—so that the committee could hear evidence concerning their charge.

The CHAIRMAN: Are we ready for the question, gentlemen? Would you like the motion read? You all understand the motion, gentlemen?

Mr. McCLEAVE: If I could say just once more: we have invited them. They may say “no”. I hope the steering committee will interpret the mood of this meeting, so that if they decline the invitation, they realize they are going to get subpoenas to come here.

Mr. PICKERSGILL: These people are free, Canadian citizens; I do not think we need start making threats until we find they are not going to come.

Mr. JOHNSON: Mr. Chairman, I wonder if we could add, “all those who claim that there was at any time political interference in the C.B.C.”—not only since two or three months?

An Hon. MEMBER: We cannot have them all.

The CHAIRMAN: I think we have the motion. I would suggest that you, gentlemen, should have enough confidence in your steering committee to invite the right people. Are we ready for the question, gentlemen? All those in favour of the motion, please raise your hands. Those not in favour? I declare the motion carried.

Motion agreed to.

Gentlemen, this morning we again have Dr. Stewart and Mr. Allison.

Mr. CHAMBERS: I do not know if this is in order, but I would like to express the hope that the C.B.C. will delay taking action on these resignations until these people have been heard.

The CHAIRMAN: You have expressed your hope, Mr. Chambers. Dr. Stewart and Mr. Allison both have, I think, some answers to questions that were asked last week.

Dr. Andrew STEWART (*B.S.A., M.A., LL.D., D.Sc. Econ., Chairman of the Board of Broadcast Governors*): Might Mr. Allison refer first of all to the network in the maritimes?

The CHAIRMAN: Yes.

Mr. Carlyle ALLISON (*Member of the Board of Broadcast Governors*): Mr. Chairman—

The CHAIRMAN: Gentlemen, please, this meeting is not going to be too long, so would you give us your full attention, please.

Mr. ALLISON: Just as the meeting was adjourning on Monday I was answering Mr. Pickersgill regarding a maritime network, and inadvertently I was handed a wrong list of the stations to be linked up in that network. I would like now to put them on the record. They are CHNS AM and FM, in Halifax; CJCB AM and FM, in Sydney; CFBS, Saint John, New Brunswick; CFNB, Fredericton; CKCW, Moncton, and CFCY, Charlottetown.

The CHAIRMAN: Thank you very much, Dr. Stewart.

Dr. STEWART: Mr. Chairman, Gentlemen: On Monday questions were asked about applications for licences or transfers of shares in which non-Canadian participation or multiple ownership were involved to the extent of constituting a problem. We have made a review of the cases dealt with by the board, and this review indicates that the answers given on Monday were inadequate—and I apologize for that.

The records show that there were two instances of applications for transfer of shares and two applications for licences in which either non-Canadian participation or multiple ownership, or both, were involved to the extent that either the board took action out of the ordinary, or there was an extended discussion of the case in the board meeting. I will deal first with the two cases of transfer of shares.

The CHAIRMAN: Could you, in your evidence, Doctor, keep the names of individuals out of this?

Dr. STEWART: Yes, I can do that, Mr. Chairman. There was an application for a transfer of 951 common shares in Western Ontario Broadcasting Company Limited, CKLW and CKLW-TV, Windsor, Ontario, from the estate of a person deceased, to RKO Distributing Corporation of Canada. This application was before the meeting of the executive committee on March 3. I explained on Monday that by action of the board, the executive committee deals initially with applications for transfers of shares. This one was discussed at the executive meeting of March 3 and was deferred. At the time the executive noted that the transfer would increase the extent of ownership of the station by non-Canadian interests. It was hoped that the vendor might perhaps find another purchaser.

This application was again considered by the full board on May 15 and was approved. The board noted that the effective control of the station was not affected by the transfer, that the vendor had received no dividends for a number of years and it seemed unlikely that another purchased on reasonable terms could be found.

The board noted also that the circumstances of this station, that is the substantial non-Canadian interest in it, was covered by section 14 (2) of the act.

The second transfer of shares case was an application for transfer of 3,750 common shares in Niagara Television Limited, CHCH television, Hamilton, Ontario, from certain shareholders to Theatre Properties, Hamilton, Limited. This application was before the meeting of the full board on May 15. When there are transfers of shares before the board, if they can be conveniently dealt with at the full board meeting, they are. The full board deferred on this application in order to allow the applicant to come before the board at the request of the board. The applicant attended a meeting of the executive committee of the board on June 12.

In the meantime, the board had received an application through the Department of Transport from the same applicant in connection with a firm entitled Sovereign Film Distributors to purchase 1,101 common shares in Western Ontario Broadcasting Company and Essex Broadcasters Incorporated CKLW and CKLW-TV, Windsor, Ontario, from certain persons and certain estates.

Both these applications involving the same person were considered by the executive which, having heard the applicant, recommended approval. The board noted that the transfer in the Western Ontario Broadcasting Company and Essex Broadcasters Incorporated would increase the Canadian participation in this station.

The board also noted that the applications did not contravene the act or regulations and was satisfied with the assurances given by the applicant of his intention to contribute to facilities which would increase Canadian capacity to produce broadcasting programs.

The CHAIRMAN: Just a minute, please, Dr. Stewart. I think Mr. Fisher has a question.

Mr. FISHER: It is on this station. Perhaps he would finish first.

Dr. STEWART: These are the two questions of shares in which either non-Canadian participation or multiple ownership was involved.

In respect of licences, the first is an application for a licence to establish a new broadcasting station at Montreal, Quebec, by Maisonneuve Corporation, Limited. This application was heard at a public hearing on March 26 and was recommended for approval. The chairman was instructed to write the Minister of Transport referring to the multiple ownership aspect of the application. This was done on April 2. The letter stated the board was aware of the applicant's interest in station CJON Newfoundland but felt there would be no danger from the applicant's association with stations in Montreal and St. John's, and that the service offered by CJON might not be maintained if the applicant were required to withdraw from it.

The second licence application is an application for a licence to establish a new TV broadcasting station at Cornwall, Ontario, on behalf of a company to be incorporated. This application was heard at the public hearing on March 26 and was recommended for approval subject to agreement between the applicant and the Canadian Broadcasting Corporation with respect to the extent of and means of carrying CBC originated programs. This condition was eventually met. At the meeting of the executive committee on April 16, an application from the same person to purchase radio station CKSF and CKSF-FM was considered. In the application for a TV licence, the applicant had stated his intention subject to board recommendation to purchase the radio station.

At the public hearing on March 26, the board had recommended for approval an application by another party to operate a new AM broadcasting station at Cornwall, French language. From the recorded discussion, it is clear that the board gave careful consideration to the multiple ownership aspect of the application. It was noted as of March, 1959, the only newspaper in Cornwall owned the only broadcasting station. If the board's recommendations were approved, the area would have a newspaper unidentified with broadcasting, an independent French language radio station and TV station and radio station (English) under the same ownership. The board felt that the situation in Cornwall seemed likely to be improved.

The CHAIRMAN: Thank you, very much.

Mr. FISHER: In the variation in ownership of CKLW, was there any indication that the O'Neill interests in the United States were going to have less of a share of the company's holdings.

Dr. STEWART: The applicant acquired as I remember it, a proportion of the shares which would certainly not give him any dominant position. However, as a distributor of programs he represented to us he felt that this would improve his position in relation to the company. That is what he worked on.

Mr. FISHER: About three years ago the C.B.C. board of governors O.K.'d a transfer from R.C.A. to Mr. Tom O'Neill who I understand is tied in with

a chain of American stations. I have had several complaints about the Windsor station. I could put one of them on the record. This is from the *Windsor Daily Star* of March 21, 1959, by Mr. Dan Odette. It says:

Viewers in this area continue to miss out on top Canadian TV programs.

The CHAIRMAN: Is this a letter, or what?

Mr. FISHER: It is an editorial comment.

The C.B.C. this Sunday is presenting a one-hour documentary, "Defence Against Tomorrow", dealing with the implications of the missile age on Canada's defence policy. But it won't be seen on CKLW.

As a result of the cancellation of the Arrow contract, practically every Canadian is concerned about where we are going on military matters.

Top military and political leaders in Canada and the United States express their views in this film feature—but you won't be seeing it.

A spokesman at CKLW said that a request was made to let the station carry the program next Wednesday, but it was refused.

Not all the C.B.C. programs are award winners, but don't you think it's time we saw some of them so we could judge for ourselves?

The few Canadian programs we see now are shown two to four days after they have been flashed across the rest of the country. Aren't we entitled to the same television service as the rest of Canada? Then why aren't we getting it?

Sometimes you have to take a drive along the Riverside Drive just to make sure the CKLW building is in Windsor and not Detroit.

Now, this is an indication that this station is oriented to American listeners. I have also been informed that the man in charge of their news broadcasting, their public information broadcasting, is an American citizen who lives in the United States.

It seems to me that here is a prime example of a station which seems to orient everything, its commercial sales, and its broadcasting to an American audience. This may be fine in terms of the shareholders, but it seems to me that you have a responsibility here to check on a situation such as this.

I would like to know if you have gone into the log of this particular station and into the programming that it does from a Canadian content point of view?

The CHAIRMAN: Before you answer, I wonder if Mr. Fisher realizes that station CKLW television or radio beams, as you said, to the United States, to Detroit, and that Detroit is the second largest "Canadian" city, and that there are a lot of Canadians over there who turn to that channel for Canadian content as much Canadian content as possible?

Mr. FISHER: That would reinforce the point I am making.

The CHAIRMAN: It could be.

Dr. STEWART: The board has not made any special investigation of the programming of this station.

Mr. FISHER: If you wished to do so, have you the staff and personnel to do it at the present time?

Dr. STEWART: We could do it, but we have not been able to do a detailed study of the station to any extent because of our limitations at the present time.

Mr. FISHER: There is nothing in the broadcasting act which gives the initiative to anyone but you in this particular field. It is not like the Combines

Investigation Act where if six people write in a letter, they can initiate action. Do you agree that this is a situation where, if these things were as indicated here, you could investigate and perhaps should investigate?

Dr. STEWART: If the Canadian content of the station were, in the board's view, insufficient to meet the requirements of section 10, we would certainly feel that we were in a position to bring this to the attention of the station and to call for adjustment in the programming.

Mr. FISHER: But as yet you have not reached that stage?

Dr. STEWART: We have not done it.

Mr. FISHER: Because you have not been informed about it, or because you have not had the time, or because you have not got the investigation personnel?

Dr. STEWART: We have not yet been in a position to proceed with a detailed study of the programming of this station.

Mr. FISHER: Do you plan to do so?

Dr. STEWART: Eventually, yes.

Mr. McINTOSH: In his reference to the sale and transfer of stock, Dr. Stewart made reference to common stock. I wonder if the board, in granting permits in the first place has any direction in regard to the division of preferred and common stock having regard to the originator of the station or of the application?

Dr. STEWART: Yes, we get complete information on the stock, both common and preferred. There may be a question under the act as to whether we have any particular concern about preferred, but we have the information and the executive looks at it, and we approve the transfer of preferred as well as of common stock.

Mr. McINTOSH: Do you have any direction as to what the percentage should be?

Dr. STEWART: Yes.

Mr. McINTOSH: Do you advise the applicant as to what the percentage should be of common stock as against preferred stock or anything like that?

Dr. STEWART: No.

Mr. FISHER: I do not want to repeat parts, but from the evidence last day there is one point I want to ask a question about. In several places Dr. Stewart makes the statement: "We cannot deal with situations unless there is an application before us"; or, "The board has no powers to require applications." This is, I think, the basic limiting factor.

I have checked through the Broadcasting Act and I want to know what part of the act has lead you to take this interpretation, that you have no initiative in so far as either the extension of facilities in Canada or of the type of services that are extended in Canada are concerned?

I would like to pin it down. On page 472 of the last committee report, you repeat, and you say:

The general objects and purposes of the board are found in section 10 of the Broadcasting Act which reads as follows: "The board shall, for the purpose of ensuring the continued existence and efficient operation of a national broadcasting system..."

Are you interpreting continued existence to mean that you are only concerned with what already exists?

Dr. STEWART: Not at all; and if I left the impression that the board was not interested in the development of broadcasting, then I left an erroneous impression.

The board is interested, and in our discussions with private stations we have talked with them about the general development of broadcasting in the

country. We have had discussions with the board of directors of the C.B.C. with regard, again, to the general extension of services. The board feels very strongly that we have a responsibility to facilitate good service to Canadian listeners.

But on the matter of setting up a new station which involves the expenditure of money, the board cannot initiate this. All we can do is to deal with the applications which come before us.

Mr. FISHER: Here we are at the key of what I am sure would bother Mr. Simpson and Mr. Forgie, as well as those who live in areas where the chance of commercial exploitation is very small.

Mr. PICKERSGILL: Please do not discriminate against me.

Mr. FISHER: I realize that Mr. Pickersgill comes from a riding where that is not likely to happen, but if you have no initiative in the way of developing what policy is going to apply, it seems that we are thrown back to the C.B.C. And the C.B.C. officials tell us, informally, that the lead in this field has to come from the B.B.G. So it looks to me as if we would get back to a case where it has to be the politicians, again, who are going to be the pressure point in so far as the extension of service is concerned.

We have thousands of square miles in this country which do not have radio service, and especially which do not have television service. Who is going to accept that responsibility?

Dr. STEWART: The board has discussed this, and it is one of the matters discussed between the board and the C.B.C., that there are these areas in Canada which are not being served. Certainly the board feels it has a responsibility to facilitate services in these areas, but we cannot tell the C.B.C. to spend money which they do not have; nor can we tell private broadcasters to set up a station on which they are going to lose money.

We can be interested, and as a matter of fact we are interested, in an area with which you are familiar right now, in a proposition with respect to the possibility of service. The board takes the position that if there is a possibility we are certainly interested in it.

Mr. FISHER: Where would the general planning come from, the sort of over-all leadership in a field like this, if you do not give it?

Dr. STEWART: Well, we can give it to a certain extent by indicating the board's interest and concern in these matters and by giving encouragement to the people. But we cannot put our fingers on somebody and say: "Set up a station".

Mr. FISHER: I quite agree. But are you going to put out an annual report with an analysis of area needs, and say: "Here is a vacuum and someone should fill it?"

Dr. STEWART: We have discussed the possibility of doing this. Part of the difficulty here is to know the availability of frequencies, and this is a technical matter on which at the moment the board has no capacity to make decisions. But we have in fact discussed the possibility of doing a complete survey of the country to find out where the deficiencies in service are, and of trying to get information as to whether it is technically and physically possible to fill them, and then to lend our encouragement to the provision of services in those areas.

Mr. FISHER: In what form is your encouragement going to be phrased or couched? Is it just going to be in your verbal relationships with the C.B.C., or with the minister, or do you plan to make an annual statement which would indicate it?

Dr. STEWART: We will have an annual report to the minister for parliament; and if and when we are able to do this work, the degree of extension which had occurred and, therefore, the improvement in the service which had been facilitated, will be made known.

Mr. FISHER: In other words, I do not have to interpret your statement that you cannot deal with situations unless there is an application before you. That is no hindrance at all to you in enunciating a general policy for extension of service.

Dr. STEWART: That is right.

Mr. McCLEAVE: Dr. Stewart, I have some questions in relation to Canadian content, with particular reference—

Mr. PICKERSGILL: Mr. Chairman, I have one single question which is supplementary to that of Mr. Fisher.

The CHAIRMAN: Proceed, Mr. Pickersgill.

Mr. PICKERSGILL: Does the board feel that the C.B.C. rather than the board should decide the priorities of C.B.C. expansion? It seems to me this is a crucial question. The Fowler commission felt the board of broadcast governors should decide this and, of course, it is my opinion that the board of broadcast governors and not the C.B.C. should decide it. However, I would like to hear the views of the board.

Dr. STEWART: Again, you cannot escape the financial aspects of this.

Mr. PICKERSGILL: Say, for instance, that Port Arthur was selected instead of Grand Falls; is it the C.B.C. or the B.B.G. that decides this question? That is the point to which I am referring.

Dr. STEWART: On this we ask to meet with the C.B.C. board of directors to discuss it with them and, through past experiences we have had with them, I think we can work together on these matters, provided they have the funds and they are proceeding on a formula for distribution. In regard to particular situations, if the board feels there is a distinct preference, we communicate with the C.B.C. and, of course they would be interested in the board's views as it would affect them. I think we could agree.

Mr. FISHER: Mr. Chairman, I have a supplementary question.

The CHAIRMAN: Proceed, Mr. Fisher.

Mr. FISHER: Dr. Stewart, the pressure that are building up in the part of the country from which I come are very strong for this extension of service. There are now petitions circulating all over the place, thousands of signatures and this sort of thing. All the small communities in the hinterland are getting worked up about the situation. I would like to know where the petitions go? Where should the requests go?

Dr. STEWART: Well, the requests should go to the board.

Mr. FISHER: The board of broadcast governors?

Dr. STEWART: Yes, in a general sense. There may be technical considerations and this is for the Department of Transport; but if it is not a technical matter then the recommendation to the minister goes from the board. If, of course, the people in the district want a C.B.C. station—and in many cases this is the indication that we have—then they should also make representations to the board of directors of the C.B.C.

Mr. FISHER: In other words, there is a dual situation?

Mr. McCLEAVE: It seems to me, Mr. Chairman, that the most important weapon the board of broadcast governors has on this question of Canadian content is found in section 4 of its regulations...

The CHAIRMAN: Incidentally, these regulations have been distributed. I do not think we need to table them.

Mr. McCLEAVE: ...which requires the stations to file their program logs; and in this way it would be possible for anyone sitting here, without going to the station or sending forth any investigatory staff, to determine the amount of Canadian content. I would like to know how many people in the B.B.G. do process these logs. Is there any attempt made at all to process them?

Dr. STEWART: I referred to this point on Monday. At the moment the logs are coming to the B.B.G. but because we have no space for staff as log examiners, by arrangement with the C.B.C. the staff over there are doing the log analysis and reporting to us.

The CHAIRMAN: That is the same staff that did it before?

Dr. STEWART: Yes, that is right. We would be happy to terminate this relationship as soon as we can but we had to take it on at the outset because the process had to go on and we were starting. We have not had an opportunity to pick it up.

I would like further to say that it really is not possible from the station logs, as we get them, to determine the Canadian content; it really is not.

Mr. McCLEAVE: Then, Dr. Stewart, when you require a title and brief description of each program broadcast, is it not possible under 4 (d) to determine whether it has a Canadian origination, live or kine—exactly what type of thing which is going out on the air?

Dr. STEWART: It would be possible to get further information on this but the problem of Canadian content is a pretty complex one. You can tell if you had an American imported film.

Mr. McCLEAVE: I forgot to read the last part. There has to be a notation whether the program was reproduced or is a live origination. However, that is no problem. If it is Canadian, they could be singing American songs, but the reproduction is different.

Mr. PICKERSGILL: We were told there was an American announcer living in the United States in connection with one.

Mr. McCLEAVE: He may pick up the Canadian accent when he comes across the border. In connection with these people in the C.B.C. who we hope are still with us this morning, and analyzing these logs, will it eventually be possible to bring them under the B.B.G. umbrella when you have enough space?

Dr. STEWART: We will have our own staff doing this; whether or not they will be the same persons, I do not know.

Mr. FISHER: I have a further question related to this. In order to analyze further all programming that is beyond the log, do you plan to have any audience research people?

Dr. STEWART: Our thoughts so far have not gone beyond the possibility of some kind of a monitoring service. Our feeling, in terms of interpretation of standards and quality of programming, is that the bare log which is sent in here from Peace River, Alberta, does not really tell you very much about the general quality of the programming of the station. We have given serious consideration to the possibility of some kind of a monitoring service.

The CHAIRMAN: Would you purchase it from those that are already set up or would you think of setting up your own little empire in connection with it?

Dr. STEWART: With the technical equipment that is available today to do this kind of spot monitoring, our thought was that it might be possible to use shut-ins. However, we have merely discussed this; we have taken no action. But it is one of the reasons why we changed the regulation—I think it is 4(g)—with respect to the sending in of logs, when we ask for the affidavit or the attestation of the licensee on the log. We feel this places the responsibility for this report to the board squarely on the licensee himself, and with this step taken it

might then be possible for us to change some of our procedure with respect to examination and perhaps to incorporate the monitoring principle.

Mr. McCLEAVE: I wonder if it would be possible to bring before us a specific example of one of these analyses of a station's operations done by the C.B.C. for the B.B.G.; I presume it is an analysis based upon the log. I would be very interested in it. I think probably it should not identify a particular station, but just the analysis.

The CHAIRMAN: I feel that information would be very interesting for the committee to have; could you arrange that?

Dr. STEWART: Yes.

Mr. FISHER: One of the complaints I have had from two private station operators—not so much a complaint, but the hope that the board of broadcast governors, in its regulations, would issue them in a format which would be more satisfactory and easier to keep track of than the C.B.C. regulations.

I am thinking of some kind of printed, or mimeographed loose-leaf book. You have started off with the same helter-skelter as the C.B.C. went on with for years.

I have gone into radio stations, and I have asked them to bring out certain regulations, and they bring out a whole sheaf of regulations and say, "This has been superseded", and it is not there anyway. You could bring it out on the basis that when you supersede a regulation you could remove the old one and slip in the other.

The CHAIRMAN: You mean, say, destroy page 14 and replace it?

Mr. FISHER: Yes.

Dr. STEWART: As a matter of fact, we are proceeding now with an arrangement for the printing of this; and we are happy to have the suggestion it might be done in loose-leaf form.

Mr. FISHER: The income tax department do it and the Canadian pulp and paper association do it. They are mimeographed, and I do not see why it should not be an example to you.

The CHAIRMAN: Mr. Fisher, Miss Aitken and gentlemen, I am wondering if we could continue, as we did last week, on the submission of Dr. Stewart. We were up to page 6, section 5, and I feel there might be a few questions still for this group. Perhaps we should just go over those, section 5, page 6.

Mr. BELL (*Carleton*): I have one question on section 5, page 6, where it speaks of the board deciding it would, each year, invite certain stations whose licenses were issued after April 1, to appear before it. Upon what basis do you choose those stations? Is it just a matter of chance, or is there any particular principle you would use in choosing stations?

Dr. STEWART: I think we would try some geographic distribution. We might tend to lean more heavily on larger stations rather than small ones, because of the expense of coming in, which I think is a factor. We would probably select stations which represented in their programming some aspect with which we were particularly concerned so that we might hear from them and talk with them about this.

Mr. BELL (*Carleton*): Approximately what number would you expect to bring in each year?

Dr. STEWART: We brought seven in in March—something of this order, I suppose.

The CHAIRMAN: Mr. Fisher, you have a question on section 5?

Mr. FISHER: Yes. Mr. Chairman.

Would you agree, Dr. Stewart, there was some misunderstanding over the basis on which you called in the seven last March?

Dr. STEWART: Yes, there certainly was. I think the lesson we learned from this is that if you issue cryptic statements they may be misinterpreted, and the board probably should state its position more clearly at the time the announcement is made. We gave no reasons, and a lot of people tried to interpret the reasons and some of them misinterpreted them.

Mr. FISHER: You have just said in your previous answer—I do not want to put words in your mouth—but there would be a factor of the type of programming that was involved. This was the issue that was misinterpreted, let us say, in the March hearings. How are you going to make sure we do not get a repetition of this?

Dr. STEWART: I do not think that it is possible—

Mr. FISHER: A repetition?

Dr. STEWART: I cannot see any possibility of completely avoiding misinterpretation.

Mr. FISHER: I see.

The CHAIRMAN: Any further questions on section 5, gentlemen?

May we move now to section 6 on page 8? This has to do with section 37 of the Canadian Broadcasting Act. Any questions on this, gentlemen?

May we then move on to section 7?

Mr. FISHER: I have also had complaints—and I am not identifying myself with them—on the question of the manager or some senior officer of the station endorsing the log. What was in mind; what was behind that particular regulation?

Dr. STEWART: The first point in mind was that in our view this is a report from the licensee to the board. We consider it a very significant document. It is the only formal communication that we get from the station. The licence is issued to somebody: somebody is the licensee and is responsible for that station. Basically, our feeling was that this report which comes from the station to the board should be from the licensee himself.

Mr. FISHER: If your monitors indicated the log had been doctored, then the responsibility rests on the owner, and he has no refuge in blaming it on an employee?

Dr. STEWART: Yes, that would be correct.

Mr. PICKERSGILL: I would like to ask about a matter related to political broadcasting, that I understand is now before the board. That is an application, as I understand it, from the provincial Liberal organization in the province of Quebec to have the regulations modified so that they may use the time that is allotted to them for the promotion of their campaign for membership in the party. The board has—I think, quite correctly—interpreted the present regulations as prohibiting that; but the regulations, after all, are not the Canadian Broadcasting Act, but are only the regulations of the board.

I want to ask the chairman if the board had reached any conclusion about whether there should be a change in this regulation or if they were still considering the matter. I have one or two supplementary questions as well.

Dr. STEWART: Yes, I think the answer to that, Mr. Pickersgill, is that this request was put to us on two bases. In the first place, it was a request for solicitation. As I remember the section of the regulations it does say, something to the effect of "except with the approval of the board".

Mr. PICKERSGILL: Quite.

Dr. STEWART: So that this request was dealt with by the board on this basis: "Here is the regulation. You have an application. The regulation says, 'with the approval of the board'. Are you prepared to approve it?" And the board said, "No".

Then the request came back to us on this basis: "Here is a script. In your interpretation, is it a solicitation?" The board, at another meeting dealing with this request, said, "This is, in fact, solicitation".

Mr. PICKERSGILL: My next question is, on what basis did the board reach the conclusion this kind of broadcasting—which, I understand, is allowed in the case of certain other organizations which, some of us would think, are not quite so important to the body politic as political parties—on what ground did the board feel this was an improper request? I do not mean on the part of the Liberal party alone.

Mr. FISHER: We do it all the time.

Mr. PICKERSGILL: On your broadcasts?

Mr. FISHER: Yes.

Mr. PICKERSGILL: It would appear there is a great difference between the Liberal party and the C.C.F.: we abide by the law; they do not.

But it does seem to me, if I might express a view, this is a proper kind of broadcasting. I do not say they should be given extra time, but that a political party be given the time and it should be allowed to use it for this purpose if it is so desired.

The CHAIRMAN: What is your question, Mr. Pickersgill?

Mr. PICKERSGILL: My question is, on what ground did the board feel this was undesirable?

Dr. STEWART: Not, I feel, on the ground of its being improper, but simply in the judgment of the board.

Mr. PICKERSGILL: Without reasons? There is a situation that troubles us, and I would like to put this in the form of a question to the chairman, so that he will be familiar with what I am talking about. There is one political party in this country, which is no longer represented in parliament, that has two faces, in the minds, of some of us: one is a political face and one a religious face. This political party, we know very well, is able to broadcast and broadcast with great regularity, certainly, as I would interpret it, incorporating solicitations for funds. But others who are not willing to adopt two faces—if I may put it that way—do not have this opportunity; and it does seem to me a discrimination of a character that ought not to be perpetuated. I would like to ask the chairman if the board has given any consideration to this particular situation?

Dr. STEWART: I think the board would not mind my saying that there was a difference of opinion in the board on this. I do not know that the board, as such, has any very firm opinion on it. It has, presumably—as far as we know—not been done in the past, and there may be some reluctance on the part of the board to make a change. This could be a factor.

Mr. PICKERSGILL: There is one other question I would like to put about political broadcasting, and it is this: Does the board relish the idea—the chairman will be aware of the debates that took place on the Broadcasting Act—of having this power which, in fact, the government did not intend to give them until it was pointed out there would be a vacuum in the law? Does the board relish having this power, or would they prefer to have parliament lay down the rules itself?

Dr. STEWART: Referring to political broadcasting?

Mr. PICKERSGILL: Yes.

Dr. STEWART: The only indication I can give you is that we have referred one matter with respect to political broadcasting to the minister, indicating that we think parliament should decide on this, rather than the board. But the board will not shirk its responsibilities. If an area is left open, we will deal with it, as a responsible body.

Mr. PICKERSGILL: Quite. I did not want to leave any such implication.

Mr. FISHER: I would just like to clear up Mr. Pickersgill's interpretation. We buy television and radio time, and on that we say, "If anyone wants a membership, here they are—come and see us". That could certainly be interpreted. Is that the thing?

Mr. PICKERSGILL: That is what the provincial Liberal federation asked to do.

Mr. JOHNSON: They asked permission of the C.B.C.?

Mr. PICKERSGILL: Yes.

Mr. FISHER: There is actually no distinction in the regulations.

Mr. PICKERSGILL: Presumably, if they had gone ahead and done it, there would be no question.

The CHAIRMAN: May I get on to figure 7?

Mr. FISHER: No, Mr. Chairman: I am very much interested in this particular phase of broadcasting. A petty point, first of all: you have changed the regulations so that stations no longer have to keep tapes for a full year after broadcast; they only keep them for six months. Is that not still too long a period? I wondered if you had received any complaints on this, because at the station at home they have a chock-a-block of old tapes still tied up. Six months still seems a long time.

Dr. STEWART: We have had complaints. We reduced it from 12 months to six. I do not know whether six months is too long, or not. There is a risk involved in shortening the period of time.

Mr. FISHER: You were going along with the prohibitions in the past that specify all political broadcasts incorporating any device which could be considered theatrical, such as dramatic skits?

Dr. STEWART: This is in the act.

Mr. PICKERSGILL: That is the law.

Mr. FISHER: Yes. But in the last election I had an example where a radio station refused to carry a panel show because they said it was a drama presentation. What are your views: do you interpret a panel show as a dramatic presentation?

Dr. STEWART: No. Incidentally, this case is before the board at the present time—at least, in this way, that representations were made to us and we have written the station for their statement on the matter. But, again—I am speaking from memory here—I think that our guiding principles should make it fairly clear that a panel discussion, or question and answer period, is not to be considered as a dramatization. On the other hand, even the chairman of the board can err in his interpretations of the regulations and the act—and I presume operators of stations can make mistakes too.

Mr. McCLEAVE: Mr. Chairman, I just wondered how this matter did come before the board. Was it because of a complaint of a specific group?

Dr. STEWART: It was because of the complaint of a group, the letter being directed to us by an individual—a candidate in the elections.

Mr. FISHER: I happen to know that these regulations are—I will not say "broken", but they are badly bent across a considerable part of Canada. The

thing that concerns me is that they are broken, or bent, in an effort to make political programming a bit more interesting. Is it within your province to try to develop regulations or views on political broadcasting that would allow them to at least get away from this dullness and this grayness. Technically, you cannot even use a piece of music as a signature tune.

The CHAIRMAN: Maybe they could make a comedy out of it, rather than a drama.

Mr. FISHER: There is a serious point here.

Dr. STEWART: In discussing the white paper and the regulations with the C.B.C., we found that usually these things had been brought into the regulations as a result of some specific event and this provided, apparently, adequate grounds for doing it. I think it would be fair to say that on the whole the board would lean on the side of making anything on the radio and television more interesting than it is—if this is possible.

Mr. FISHER: I am glad to hear you lean that way; but will you look at this particular area—because in the last provincial election in our area the listeners or the viewers became frantic; they had no choice; they got a constant succession of people sitting at desks, reading, or looking at a teleprompter; there was nothing really to lighten it at all.

As someone who has used this medium a good deal, you are frustrated time after time by the regulations. What is a cartoon? I drew a picture on a blackboard of an Indian going into a poll, blind, because of certain connotations. Right away, that is a cartoon—"we are not going to have that sort of thing". We have the dullest political broadcasting in Canada, and largely as a result of these regulations.

The CHAIRMAN: You have looked at the United States, have you?

Mr. BELL (*Carleton*): Mr. Chairman, I have some very strong views on this also. If we are going to start to express them, I will do so also. But it seems to me this is a matter which is not for this committee. Are we not entering into the field of the privileges and elections committee, rather than the broadcasting committee? I understood that committee would be dealing with this.

If we are going to go into this, I am going to jump in, exactly as my friend has.

The CHAIRMAN: I think you are right, Mr. Bell.

Mr. PICKERSGILL: I agree.

Mr. JOHNSON: Does the board have influence on the determination of time allocated to each party on free radio and television broadcasts—political talks?

Dr. STEWART: Free broadcasting is arranged in discussion between the corporation and the political parties, and the corporation reports to us on the agreement, where agreement is effected. In our experience to date, it has always been apparently amicably settled between the corporation and the parties.

Mr. JOHNSON: But who determines the proportion to each party? Why is a party entitled to have free time on television on the C.B.C.?

Dr. STEWART: The principles of this are laid down in the white paper on political and controversial broadcasting. I have not got this before me, and forget the details.

Mr. FISHER: I could read these things to him, Mr. Chairman.

Dr. STEWART: But the principles are laid down.

Mr. BELL (*Carleton*): I think we should have copies of the revised white paper filed with the committee.

Mr. PICKERSGILL: Mr. Chairman, I have one factual question.

The CHAIRMAN: Those could be produced?

Dr. STEWART: Yes.

Mr. JOHNSON: We will have all the information I was asking for in this white paper?

The CHAIRMAN: That is right.

Mr. PICKERSGILL: I have one factual question. At the time of the by-election which was held in the province of Manitoba for the constituency of Springfield there was a station which violated the regulations. Could the chairman say what kind of discipline was applied to this station?

Dr. STEWART: I explained that we had a certain geographic duty and responsibility, and Manitoba is Mr. Allison's territory. Could you answer this, Mr. Allison?

Mr. ALLISON: Yes. This came up, Mr. Pickersgill, I think, at the time when we were in the process of moving from our former residences to this place. As I remember this, it was a Ukrainian broadcast, over a French language radio station.

Mr. PICKERSGILL: That is what I was informed.

Mr. ALLISON: The French language radio station proprietors—as I heard it—were not aware of the offence until after it had been committed, and some complaints came in. As far as I know they took the disciplinary action that they were not going to be caught out on this one again. Presumably, they would require translation of the Ukrainian either into French or English before a future broadcast occurred. I do not think it required any further disciplinary action than this.

Mr. FISHER: In many areas of the country the only available radio stations are the Canadian Broadcasting Corporation stations. Another difficulty of candidates of all parties is that this is one means of communication which they cannot use. There is a genuine vacuum here.

The CHAIRMAN: Just a moment. I do not believe we have a quorum right now. I am sorry, Mr. Fisher; I doubt very much that we will have a quorum for the remainder of the morning.

May I suggest, Dr. Stewart, we will call you again. I would assume, however, that we will be working with the C.B.C. for the next few meetings. May we call on you and your group again?

Dr. STEWART: Certainly, Mr. Chairman.

The CHAIRMAN: Thank you very much.